

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 280 - SB 408**

March 7, 2019

**SUMMARY OF BILL:** Extends a property tax exemption provided to certain organizations to include the value of land upon which certain improvements are made.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Revenue – Exceeds \$15,900**

Assumptions:

- Tennessee Code Annotated § 67-5-212 provides that when a religious, charitable, scientific or education institution constructs certain improvements upon their property, the value of the improvements are exempt from property taxation from the date of the commencement of construction.
- The proposed legislation establishes:
  - If construction of such improvements is completed within 12 months, the property tax exemption is applied to the value of the improvement and the value of the land the improvements are upon.
  - If construction of improvements extends longer than 12 months, the property tax exemption is calculated the same as current law provides.
- Based on information provided by the Comptroller of the Treasury regarding properties statewide which would qualify for the exemptions extended in the proposed legislation in the current tax year, the decrease in local government property tax revenue is estimated to exceed \$15,900.
- While a precise decrease in local government property tax revenue will vary each year based on improvements made to land owned by exempt organizations and the timeline of such construction, the recurring decrease in local government property tax revenue is estimated to exceed \$15,900 statewide.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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